

WHEREAS, the Authority, as lessor, has previously entered into those certain lease agreements described on Exhibit A attached hereto (as the same have been amended from time to time, collectively, the “Leases”) with the “Leaseholders”, as lessees; and

WHEREAS, the land which is subject to the Leases is more particularly described in the Leases and is collectively referred to herein as the “Leased Property”, and individually as a “Leased Lot”; and

WHEREAS, the Leased Property is located partially within the Property; and

WHEREAS, pursuant to that certain Assignment, Assumption, and Ratification of Leases and Rents dated of even date herewith (the “Assignment”), by and between the Authority, as assignor and Assignee, as assignee, the Authority has assigned to Assignee all of its right, title and interest in the Leases, and Assignee has assumed all of the Authority’s rights and obligations arising under the Leases; and

WHEREAS, the Parties hereto desire to give notice of the existence of certain options for the Leaseholders under such Leases set forth in such Assignment.

NOW, THEREFORE, for and in consideration of the foregoing, Assignor and Assignee agree as follows:

1. Lessee Protections. The Assignment contains certain obligations of Assignee (and its successors and assigns) with respect to the Leaseholders under the Leases and the Property, including, without limitation, that:

(a) *Lessee Protections*. Each of the Leaseholders under the Leases shall have the right, during the time periods provided below, to exercise one of the following options (collectively, the “Lessee Protections”) as to that Leaseholder’s Leased Lot, in accordance with the terms set forth in the Assignment:

(i) Purchase the fee simple interest in the applicable Leaseholder’s Leased Lot, in cash or through lender financing, for 90% of the land only assessed value of the leasehold estate without any exemptions, as determined by the applicable county appraisal district (the “Assessed Value”) for the year 2012, such option to be available as a Contemporaneous Closing (as hereinafter defined), and for a period of one (1) year beginning on the Effective Date hereof (the “Option Period”).

(ii) for (1) any residential lessee that qualifies for financing under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. No. 111-203) and any related regulations and (2) any commercial lessee, the option to purchase the fee simple interest in the applicable Leaseholder’s Leased Lot via seller financing for 100% of the Assessed Value for the year 2012, with a down payment of ten percent (10%) (or more at Leaseholder’s option), an annual interest rate of six percent (6%), a 30-year amortization, such option to be

available as a Contemporaneous Closing (as hereinafter defined), and for the entire Option Period.

(iii) Enter into a new 99-year lease with Assignee for the applicable Leased Lot at a rental rate during the first year of 6% of the Assessed Value for the year 2012, with annual CPI (as defined below) increases or decreases, such option to be available during the entire Option Period. The 99-year lease will include an option for the applicable Leaseholder to purchase the fee simple interest in the Leaseholder's Leased Lot (as such Leased Lot is described in the new 99-year lease) for 100% of the Assessed Value at the time of purchase (but not less than the Assessed Value for the year 2012), which purchase option may be exercised by the applicable Leaseholder at any time during the term of the Leaseholder's 99-year lease by providing advance written notice to Assignee and otherwise complying with the terms of the 99-year lease. "CPI" means the consumer price index for Housing, Dallas-Fort Worth, TX area, Series ID: CUURA316SAH, CUUSA316SAH, Base Period: 1982-84=100, as published by the Bureau of Labor Statistics of the United States Department of Labor, or its equivalent substitute should this series be discontinued.

(iv) For any Leaseholder who is over the age of sixty-five (65) years and who received an ad valorem tax exemption under Section 11.13, Tax Code, for a structure on the Leaseholder's Leased Lot by January 1, 2013, enter into a new 20-year lease with Assignee for the applicable Leased Lot, with a rental rate as determined by the lease rate methodology adopted by the Board of Directors of the Brazos River Authority which is in effect as of the Effective Date hereof (a copy of which methodology is attached hereto as Exhibit B), or such other lease rate structure as set forth in the applicable Leaseholder's Lease (and including increases and adjustments to such rates), with annual CPI increases or decreases. This 20-year lease option shall be available to qualifying Leaseholders during the entire Option Period. The new 20-year lease shall include an option for the applicable Leaseholder to purchase the fee simple interest in the Leaseholder's Leased Lot (as such Leased Lot is defined in the new 20-year lease) for 100% of the Assessed Value at the time of purchase (but not less than the Assessed Value for the year 2012), which purchase option may be exercised by the applicable Leaseholder at any time during the term of the Leaseholder's 20-year lease by providing advance written notice to Assignee and otherwise complying with the terms of the 20-year lease.

(v) As to any Leaseholder who does not exercise one of the foregoing purchase or lease options during the Option Period, the Leaseholder's existing Lease will remain in effect in accordance with the terms set forth therein, and for an eight-year period commencing on the Effective Date hereof: (a) the Lease rental rate (including any adjustments thereto) as set forth in the applicable Lease, or as calculated pursuant to the lease rate methodology adopted by the Board of Directors of the Brazos River Authority which is in effect as of the Effective Date hereof (a copy of which methodology is attached hereto as Exhibit B), as applicable, will be maintained and honored by Assignee, (b) the Leaseholder will

have the option to purchase the fee simple interest in the Leaseholder's Leased Lot (as such Leased Lot is defined in the Leaseholder's Lease) for 100% of the Assessed Value at the time of purchase (but not less than the Assessed Value for the year 2012), and (c) the term of the Leaseholder's existing Lease will be extended as necessary to allow for this full 8-year rental and purchase option period.

(b) *Reserved.*

2. Subdivisions. Those Leases (whether existing or a new lease as set forth above) which are part of the Ranch are also subject to the terms of the Ranch Agreement and the restrictions and covenants set forth in the Ranch Declarations. Those Leases (whether existing or a new lease as set forth above) which are part of Green Acres are subject to the terms of the Green Acres Declarations.

3. Further Assignments. In the event Assignee sells, transfers or otherwise conveys the Property (in whole or in part) to any person or entity (other than to the existing Leaseholder pursuant to the Lessee Protections described above), Assignee agrees to require that any successor-in-interest to Assignee's interest in the Property (or any portion thereof) honor the obligations set forth in the Lessee Protections, and grant to the Leaseholders the rights and options set forth above during the remaining Option Period or 8-year period as applicable.

4. Third Party Beneficiary.

(a) *Lessee Protections.* The Authority and Assignee agree that (i) the Lessee Protections are intended to benefit the individual Leaseholders under the Leases and (ii) each of the individual Leaseholders is, and shall be deemed, an intended third party beneficiary solely with respect to the Lessee Protections as to each individual Leaseholder's Leased Lot. If Assignee fails to perform its obligations with respect to the Lessee Protections as to any such Leaseholder, then such Leaseholder shall have the right to bring an appropriate action against Assignee to enforce specific performance of the Lessee Protections as to that Leaseholder's Leased Lot only, as such Leaseholder's sole and exclusive remedy for the failure of Assignee to perform its obligations with respect to the Lessee Protections, as to such Leaseholder. This provision does not authorize or permit any Leaseholders to bring a suit against the Authority or Assignee for damages or any relief other than as set forth in the immediately preceding sentence.

(b) *Reserved.*

5. Miscellaneous.

(a) Original copies of the Assignment are in the possession of the parties hereto. The Assignment contains other terms not set forth herein but which are incorporated by reference herein for all purposes. This Memorandum is executed for the purpose of placing parties dealing with the Property on notice of the existence of the Assignment and, where appropriate, its contents, and the parties hereto ratify and confirm all other terms of the Assignment as if fully set forth herein. Additional information concerning the terms of the Assignment can be obtained from the parties hereto at the

addresses set forth above. Capitalized terms not otherwise defined in this Memorandum shall have the meanings set forth in the Assignment.

(b) This Memorandum is intended for recording purposes only and does not modify, supersede, diminish, add to or change all or any of the terms of the Leases or the Assignment in any respect. In the event of any conflict between the provisions of this Memorandum and the provisions of the Assignment, the provisions of the Assignment shall control.

(c) All provisions of this Memorandum, including the benefits and burdens, run with the land and are binding upon and inure to the benefit of the heirs, assigns, licensees, invitees, successors, tenants and subtenants of the parties.

(d) This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

(e) The Authority is a river authority created and existing pursuant to Article XVI, Section 59 of the Texas Constitution and other applicable law and as such is a political subdivision of the State of Texas. Nothing in this Memorandum or the Assignment shall be construed to waive, impair, or diminish the Authority's sovereign immunity arising from its status as a governmental entity.

[SIGNATURE PAGE(S) TO FOLLOW]

**[SIGNATURE PAGE TO MEMORANDUM OF ASSIGNMENT, ASSUMPTION, AND
RATIFICATION OF LEASES AND RENTS]**

IN WITNESS WHEREOF, the Authority and Assignee have executed this Memorandum to be effective as of the Effective Date.

THE AUTHORITY:

BRAZOS RIVER AUTHORITY,
a river authority of the State of Texas

By: _____
Phillip Ford, General Manager/CEO

STATE OF TEXAS §
 §
COUNTY OF MCLENNAN §

This instrument was acknowledged before me on the ____ day of _____, 20__ by Phillip Ford, General Manager/CEO of Brazos River Authority, a river authority of the State of Texas, on behalf of such river authority.

Notary Public in and for the State of Texas

**[SIGNATURE PAGE TO MEMORANDUM OF ASSIGNMENT, ASSUMPTION, AND
RATIFICATION OF LEASES AND RENTS]**

ASSIGNEE:

_____,
a _____

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 20__,
by _____, _____ of _____,
a _____, on behalf of such entity.

Notary Public in and for the State of Texas

**EXHIBIT A TO MEMORANDUM OF ASSIGNMENT, ASSUMPTION, AND
RATIFICATIONS OF LEASES AND RENTS**

Leases

[See attached]

**EXHIBIT B TO MEMORANDUM OF ASSIGNMENT, ASSUMPTION, AND
RATIFICATION OF LEASES AND RENTS**

Lease Rate Methodology

[See attached]